

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6168

BILL NUMBER: HB 1664

DATE PREPARED: Jan 28, 2001

BILL AMENDED:

SUBJECT: Monthly Personal Allowance.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill increases from \$50 to \$100 the monthly personal allowance for an individual receiving assistance who is residing in a county home, a residential care facility, a hospital, or a nursing facility.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The total estimated cost to the State of increasing the personal needs allowance from \$50 per month to \$100 per month for the specified institutionalized individuals is about \$8.39 M for FY 2002 and \$8.62 M for FY 2003.

Residents of nursing facilities, intermediate care facilities for the mentally retarded (ICFs/MR), and individuals receiving assistance through the Assistance to Residents of County Homes (ARCH) and Room and Board Assistance (RBA) programs are allowed a monthly personal needs allowance of \$50 for FY 2001. In the case of an RBA or ARCH recipient with no income, the State pays the recipient the personal needs allowance. This amount is not considered income to the individual in the determination of eligibility and is for the exclusive use of the recipient for personal needs.

Based on estimated numbers of Medicaid recipients in state operated facilities, nursing facilities, and recipients of residential assistance in the ARCH and RBA programs (State funded programs with no Medicaid dollars), the total additional cost from increasing the personal needs allowance by \$50 per month (to a total of \$100) would be about \$20.47 M for FY2002. This would represent about \$12.08 M in federal share and about \$8.39 M in state dollars. (This is based on estimated FY 2002 Medicaid Program cost shares of about 62% federal and 38% state. As part of the impact to the state, the cost of changing the personal needs allowance for the about 1,600 ARCH/RBA recipients is about \$992,000 and would be funded solely from state funds.)

This estimate would be overstated to the extent that some individuals in the Medicaid Program would have

zero income. Increasing the personal needs allowance for an individual with no income would not affect state costs.

Explanation of State Revenues: See Explanation of State Expenditures, above.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: